

CALIFORNIA DEPARTMENT OF INSURANCE
LEGAL DIVISION
Compliance Bureau - San Francisco
Brian D. FitzGerald, Bar No. 118255
45 Fremont Street, 21st Floor
San Francisco, CA 94105
Telephone: 415-538-4104
Facsimile: 415-904-5490

Attorney for The California Department of Insurance

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA**

In the Matter of the Licenses and Licensing
Rights of

MARIA ALEXANDRA DANIEL
and STEPHANIE ANN SANCHEZ,

Respondents.

File Nos. 11VA00355-AP, 11VA00996-AP
ACCUSATION

The California Department of Insurance (Department) alleges:

I

Respondent Maria Alexandra Daniel (Daniel) holds a Casualty Broker-Agent license and a Property Broker-Agent license, both issued on June 6, 1997 and due to expire on June 30, 2013.

Respondent Stephanie Ann Sanchez (Sanchez) held a Casualty Broker-Agent license and a Property Broker-Agent license, both issued on September 11, 2008 and both of which expired on September 30, 2010. Ms. Sanchez is the daughter of Ms. Daniel.

II

On or about November 23, 2010, Luz and Maria De Jesus Avitud, who are twins, and their mother, Maria Teresa Ayala Guzman, filed a Request for Assistance with the Department. They complained that Respondent Daniel, who worked at Shana Insurance, failed to forward their insurance premium in the amount of \$174.80 on February 1, 2010. Interim, Daniel had given the Avituds and Guzman proof of coverage in the form of a California Insurance Identification Card

1 dated February 1, 2010 and expiring on March 1, 2010. Maria was subsequently involved in a car
2 accident on February 22, 2010.

3 Maria Avitud contacted Respondent Daniel at Shana Insurance to report the loss, only
4 later to discover that she did not have coverage.

5 III

6 In an interview with a Department investigator on or about April 20, 2011, the Avituds
7 and Guzman stated they had been insured with Shana Insurance and Respondent Daniel for
8 approximately six (6) years, with Noe, Ms. Guzman's spouse, representing the family. Every
9 time their policy renewed, Respondent Daniel would change the insurance company, supposedly
10 for more affordable coverage, although it all cost the same. Mr. Guzman would pay monthly, but
11 approximately every three (3) months, Respondent Daniel would change the coverage and charge
12 \$50.00. Respondent Daniel has clients make a separate \$50.00 money order aside from the
13 insurance premium that is paid to Shana Insurance. The

14 After the Guzmans separated, Ms. Guzman and her daughters decided to purchase their
15 own policy from Shana Insurance. Guzman and Luz Avitud went to purchase a policy on
16 February 1, 2010. They were charged \$174.80 and for some reason \$50.00 in addition to the
17 premium for the coverage they purchased. Maria Avitud was an added driver on the policy and
18 Noe excluded. Avitud and Guzman received an insurance card which only showed Luz as the
19 driver. The identification card shows Universal Casualty Company (UCC) as the insurer and the
20 effective date as February 1, 2010 through March 1, 2010.

21 On February 22, 2010, Maria Avitud had an automobile accident. On February 23, 2010,
22 Maria and Ms. Guzman went to Shana Insurance and reported the accident to Respondent Daniel.
23 Daniel stated she was going to change their insurance coverage and charged them an additional
24 \$50.00, which they did not understand. They received a policy in the mail from UCC dated
25 February 22, 2010, the same date as the accident.

26 Approximately two weeks following the accident, Maria received a notice from the
27 Department of Motor Vehicles (DMV). The notice requested that Maria provide proof of
28

1 insurance. One month after this first notice, Maria received another from the DMV, but this time
2 the notice said her license would be suspended on her birthday, June 25, 2010.

3 Ms. Guzman said that on July 26, 2010, they went to Shana Insurance to speak with
4 Respondent Daniel about what had happened. Respondent Daniel stated a mistake had been
5 made in that she had failed to process the original application. Maria asked her why it took 20
6 days to recognize the mistake, but Respondent Daniel just stated that they could sue her or allow
7 her to pay for a restricted license which would allow Maria to drive to school or work. Maria did
8 not accept this proposal. Maria stated that Respondent Daniel asked them not to report her to
9 anyone because she could lose her insurance license and go to jail. She also stated that her boss
10 did not know about the problem. Maria and Ms. Guzman had only seen the owner once before.
11 Maria did accept Respondent Daniel's offer to pay the damages of the other party involved in the
12 accident.

13 On July 27, 2010, Maria accepted a cashier's check in the amount of \$1400.00 payable to
14 Claims Resource Services.

15 On October 29, 2010, Maria was pulled over by the Oxnard Police Department because of
16 a broken tail light. When the officer ran a license check, he asked Maria if she knew her license
17 was suspended. Maria was surprised because her mother, Ms. Guzman, had spoken with
18 Respondent Daniel who assured that the insurance issues were handled and they had an insurance
19 policy dated February 22, 2010. Maria stated that her vehicle was not impounded, but she had to
20 call her sister to come and pick up the vehicle. When they arrived home, they tried to call UCC,
21 but the offices were closed.

22 On November 1, 2010, Maria and Ms. Guzman called the DMV for further information
23 about the suspension. They learned that their policy number was invalid so Maria gave the DMV
24 the policy number from the policy dated February 22, 2010 and her driver's license was
25 reinstated.

26 On November 22, 2010, Maria received another notice from the DMV that her license was
27 going to be suspended again on November 26, 2010. On November 22, 2010, Maria and Ms.
28 Guzman consulted an attorney named Nelson Mendez who directed them to sue Respondent

1 Daniel and to go to the government center in Ventura and talk to someone in the Fraud Division.
2 They did and were instructed to contact the Department.

3 IV

4 On July 14, 2011, Respondent Daniel was interviewed by Department investigators.
5 Daniel stated she had only one issue in her career and it involved the Avituds and Guzman. She
6 is the only employee in the office owned by Joseph Koreie for whom she has worked since June
7 1997, 14 years. However, at the time of the issue involving the Avituds and Guzman, she
8 employed Respondent Stephanie Sanchez. Sanchez is also a licensed agent.

9 Daniel stated the agency mainly served Hispanics. Depending on the coverage purchased,
10 she would charge from \$25.00 to \$100.00 as a broker fee, which was included in the down
11 payment. All money orders are made payable to Shana Insurance.

12 Daniel stated the Avituds and Guzman came in to purchase a policy on February 1, 2010.
13 It was very busy that day in the office. She provided them with a quote through Robert Moreno
14 Insurance Service (RMIS), which requires the application be faxed to its office to bind the
15 coverage. She thought she told Sanchez to do this, but did not verify. The Avituds were provided
16 with Acord insurance identification cars.

17 On February 22, 2010, one of the Avitud twins called Daniel to report that she had been
18 involved in an accident. Daniel told her to call the insurance company while she reviewed the file
19 for the application only to find no fax confirmation. When Daniel asked Sanchez if the latter had
20 faxed the application, Sanchez could not recall. Daniel immediately faxed the application to
21 RMIS.

22 In June 2010, the Avitud sister who had the accident called and told her that she had
23 received a letter from Mercury, the insurer for the other party involved. Daniel contacted
24 Mercury and explained the situation. Later that month, Ms. Guzman and the daughter involved
25 brought a collection letter to the office. Daniel told them they were uninsured but she would pay
26 for the loss. Daniel called the collection agency, negotiating the loss down to \$1400.00. The
27 following day, one of the twins came by to pick up the cashier's check. She thought the matter
28 resolved until a few weeks later when Ms. Guzman and the daughter involved in the accident

1 came in with the DMV license suspension notice. Since there was nothing more she could do for
2 them, she referred them to the Department to file a complaint.

3 Daniel stated that she did not offer to re-write the coverage for the Avituds since no policy
4 had been issued. When the owner, Mr. Koreie, entered the interview, he stated that Sanchez was
5 Daniel's daughter, whose license expired and lapsed without renewal. Koreie and Daniel
6 provided documents relating to the matter.

7 V

8 The facts alleged in paragraphs II through IV show that Respondents are incompetent or
9 untrustworthy or exposed the public to the danger of loss and constitute grounds for the
10 Commissioner to suspend or revoke the licenses and licensing rights of Respondents pursuant to
11 the provisions of sections 1668(j), 1738 and 1743 of the California Insurance Code; and

12 VI

13 The facts alleged in paragraphs II through IV show that Respondents failed in their duties
14 as fiduciaries in the handling of funds and constitute grounds for the Commissioner to suspend or
15 revoke the licenses and licensing rights of Respondents pursuant to the provisions of sections
16 1733, 1738 and 1743 of the California Insurance Code; and

17 VII

18 The facts alleged in paragraphs II through IV show that Respondents failed in their duties
19 regarding the deposit and remittance of fiduciary funds pursuant to the provisions of sections
20 1734, 1738 and 1743 of the California Insurance Code.

21 VIII

22 The facts alleged in paragraphs II through IV show that it is not in the public interest for
23 Respondents to hold their licenses pursuant to Section 1668(b) of the California Insurance Code.

24
25 Dated:

CALIFORNIA DEPARTMENT OF INSURANCE

26
27 By _____
28 Brian D. FitzGerald
Attorney for the Department